2011 budget: all sections, first version

2010/2001(BUD) - 20/10/2010 - Document attached to the procedure

PURPOSE: presentation of a Letter of Amendment No 3 to the Draft General Budget 2011 – Section III (Commission).

CONTENT: the Amending Letter No 3 (AL 3) to the Draft Budget for 2011 (DB 2011) covers the following:

- the line by line updating of the **estimated needs for agricultural expenditure**. In addition to changing market factors, the AL also incorporates legislative decisions adopted in the agricultural sector since the DB 2011 was drawn up, revised estimates of needs for some direct payments, as well as any proposals, which are expected to have effect during the coming budget year. Commitment and payment appropriations are **decreased by EUR 346 million**;
- an update of the situation for **International Fisheries Agreements**, **decreasing commitment appropriations by EUR 1 million**;
- the creation of a **new budget item 32 04 14 04 - Energy projects to aid economic recovery** - Energy efficiency and renewable initiatives.

Updating agricultural needs: the purpose of the AL 3 is to ensure that the agricultural budget is based on the most up-todate economic data and legislative framework. As in the past, the Commission has carefully reviewed all its estimates of agricultural expenditure line by line. As well as taking into account market factors, this AL 3 also incorporates any legislative decisions adopted in the agricultural sector since the DB was drawn up, as well as proposals made by the Commission. The Commission concludes that:

- EAGF appropriations are decreased by EUR 346 million. This is mostly due to **lower needs in chapter 05 02 Intervention in Agricultural markets** (- EUR 136 million) and to a modification in the level of EAGF assigned revenue available in 2011. Firstly, additional assigned revenue received in 2010 amounting to EUR 210 million will be carried over from 2010 to 2011. Secondly, the Commission expects some increase in the assigned revenue generated in 2011 (+ EUR 19 million), so that the total increase in available assigned revenue is EUR 229 million;
- total commitment appropriations requested for agricultural expenditure financed by the EAGF are EUR 43 401 million, lower than in the DB 2011 (- EUR 346 million), resulting in a margin under the EAGF sub-ceiling which is now EUR 1 065 million. The new margin for heading 2 in total is EUR 1 199 million.

Energy projects: in May 2010, the Commission proposed an amendment to Regulation (EC) 663/2009 to use the uncommitted funds under Chapter II of the EERP Regulation for the creation of a dedicated financial instrument to support energy efficiency and renewable initiatives. The financial facility shall support the development of bankable energy efficiency and renewable energy projects and facilitate the financing of investments in energy efficiency and renewable energy, in particular in urban settings. In compliance with the EERP Regulation, the facility should be limited to the financing of measures that have a rapid, measurable and substantial impact on economic recovery within the EU, increased energy security and reduction of greenhouse gas emissions. Therefore, the Commission proposes the creation of a new budget item 32 04 14 04 – Energy projects to aid economic recovery - Energy efficiency and renewable initiatives. The budget item is created under the new Title 32 "Energy". The creation of the same budget item is proposed in Amending Budget 10/2010 under Title 6 "Energy and Transport as line 06 04 14 04.

Conclusion: on a budgetary note, the consequences of the AL 3/2011 is characterised by a decrease of EUR 347.2 million in commitment appropriations and a decrease of EUR 346.2 in payment appropriations.